

# SENATE BILL REPORT

## SB 5075

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As of February 3, 2009

**Title:** An act relating to wage criteria used by the community economic revitalization board to determine project selection.

**Brief Description:** Concerning the community economic revitalization board's project selection criteria.

**Sponsors:** Senators Hatfield, Hewitt, Kilmer and Shin; by request of Department of Community, Trade and Economic Development.

**Brief History:**

**Committee Activity:** Economic Development, Trade & Innovation: 2/04/09.

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### SENATE COMMITTEE ON ECONOMIC DEVELOPMENT, TRADE & INNOVATION

**Staff:** Jack Brummel (786-7428)

**Background:** The Legislature established the Study Committee on Public Infrastructure Programs and Funding Structures in 2007. The committee determined among other things that economic development resources should promote family wage jobs as well as job growth and retention. The committee's recommendations included a recommendation that Community Economic Revitalization Board (CERB) funding criteria prioritize projects compatible with statewide policy goals.

CERB is charged with financing publicly-owned economic development infrastructure improvements that encourage new business development and expansion. Staffing for CERB is provided by the Department of Community, Trade, and Economic Development. The CERB program provides local governments low-interest loans and grants to help finance public facility projects. Assistance is primarily targeted to rural communities. CERB financing can be used for public facilities including bridges, roads, domestic and industrial water projects, sanitary and storm sewers, and railroad spurs.

In 2008 the Legislature passed legislation requiring that applicants for CERB funds demonstrate convincing evidence that the median hourly wage of the private sector jobs created after the project is completed will exceed the countywide median hourly wage. The median is the middle value, below and above which lie an equal number of values.

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*This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.*

**Summary of Bill:** The requirement that applicants for CERB funds demonstrate convincing evidence that the median hourly wage of the private sector jobs created after the project is completed will exceed the countywide median hourly wage is eliminated.

When considering construction projects, the CERB board is to first consider whether an application demonstrates convincing evidence that the annual average wage of the private sector jobs created will meet or exceed the countywide annual average private sector wage.

The CERB must exclude federal contract employment wages when calculating the county's average annual wages for private sector jobs in rural counties where federal contract employment exceeds 10,000.

**Appropriation:** None.

**Fiscal Note:** Available.

**Committee/Commission/Task Force Created:** No.

**Effective Date:** Ninety days after adjournment of session in which bill is passed.